

2011 DRAFTING REQUEST**Bill**Received: **09/07/2010**Received By: **agary**Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget**By/Representing: **Byrnes**

May Contact:

Drafter: **agary**Subject: **Transportation - other**

Addl. Drafters:

Extra Copies: **EVM**Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **aaron.gary@legis.wisconsin.gov**

Pre Topic:

DOA:.....Byrnes, BB0068 -

Topic:

Online business transactions

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 10/12/2010			_____			State
/P1	agary 10/13/2010	jdye 10/15/2010	jfrantze 10/19/2010	_____	sbasford 10/19/2010		State
/1	agary 12/29/2010	jdye 01/03/2011	jfrantze 01/03/2011	_____	cduerst 01/03/2011		

FE Sent For:

<END>

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			10/15	_____	_____	_____	_____

FE Sent For:

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2011-13 Budget Bill Statutory Language Drafting Request

- Topic: Online Business Transactions
- Tracking Code: BO 0068
- SBO team: Tax, Transportation and Government Operations
- SBO analyst: Tyler Byrnes
 - Phone: 266-1039
 - Email: Tyler.byrnes@wisconsin.gov
- Agency acronym: DOT
- Agency number: 395
- Priority (Low, Medium, High): Medium

Intent: Change statutes to allow the department to conduct a broad range of transactions electronically. See attached for details.

**Department of Transportation
2011-13 Biennial Budget Request
STATUTORY MODIFICATIONS**

DIN NUMBER:

TOPIC: Online Business Transactions

DESCRIPTION OF CHANGE:

The Department requests adding a subsection to s. 85 Wis. Stats., that gives the Department authority to transact business electronically and directs the Department to establish administrative rules to:

- Implement mandatory electronic processing for specific transactions.
- Provide user and transaction exemptions.
- Establish processing fees.

The Department will determine by rule which transactions will be offered electronically and which will continue to be processed manually. This allows the Department to implement online applications for different services without having to amend the statutes for each new development. The Department anticipates addressing the following transactions through administrative rules:

- Parking authorities could exchange data electronically in batch or enter data into web applications.
- Businesses or governments could request vehicle abstracts online using DMV's public abstract request system (PARS) application. This change could include a requirement of a surcharge for requesting vehicle records by phone or mail and s 341.17(8) Wis. Stats., must be amended to add the \$2 fee.
- County assessment agencies could submit driver safety plan information electronically.
- Insurance companies could conduct all safety responsibility filings electronically in batch or enter data into web applications.
- Courts could electronically exempt vehicles from ignition interlock device and electronically add and remove title transfer stops.
- Parking authorities and towing companies that place suspension/refusals on registration products could also provide registration services, so that customers pay registration fees at same time as paying parking/towing fees.
- Motor carrier businesses could transact most business online. Processing fees would be set by administrative rule for manual transactions, except where exempt.
- Non-individual lienholders (e.g., financial institutions) could process title applications electronically for private sale if a lienholder has a lien on the vehicle (exceptions defined in rule).

The following specific statutory changes are also requested:

- Amend s. 85.14(1)(a) Wis. Stats., to allow the Department to accept credit cards, debit cards, and other electronic payment mechanisms for all fees charged by the Department. This will require deleting reference to fees in specified statutes (ch. 194, 218, 341, 342, 343, or 348) and creating language referencing any fees.

- To be able to renew dealer business licenses online, s. 341.13(3m) Wis. Stats., needs to be amended to eliminate the requirement that dealer plates display a validation sticker.
- To implement electronic titling, Wisconsin law must be changed to "title on file with the lienholder." Also, s. 342.20(3) Wis. Stats., must be amended to eliminate the need to send lien confirmation to non-individual lienholders.
- Amend any statutory references to manual processes for fee collection to include an electronic processing option.

JUSTIFICATION:

Since 2000, the Department has expanded the number of online and electronic options available to individual and business customers. With 2009 Act 28, the Department can now charge a convenience fee for each Division of Motor Vehicle (DMV) transaction involving payment by credit card, debit card, or other electronic payment mechanism. This provision makes it possible for DMV to offer more online alternatives to individual customers as the service fees do not have to be absorbed by DMV's operating budget.

DMV is also changing the way it interacts with businesses and other units of government. Motor vehicle dealers process title and registration applications electronically and non-individual lienholders file security interest statements using an electronic process. DMV can expand on the online systems currently in place for electronic communication with parking authorities, courts, law enforcement agencies, technical colleges, and assessment agencies to allow them to transfer data directly into DMV databases. This eliminates having to manually re-enter every time it moves to a different application.

The Internet and availability of online and electronic communication has changed the way customers expect to do business. Web-based interfaces and electronic transactions are more efficient and convenient than mail, telephone, and manual processing. This statutory change gives the Department the necessary authority to conduct business electronically with enough flexibility to administer each new web-based option as it comes online without having to make additional statutory changes.



State of Wisconsin
2011 - 2012 LEGISLATURE

in
10/13



LRB-0056/P1

ARG:.....

(D-Note) JLD

DOA:.....Byrnes, BB0068 - Online business transactions ✓

FOR 2011-13 BUDGET — NOT READY FOR INTRODUCTION

✓

Do not gen

1

AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

TRANSPORTATION ✓

DRIVERS AND MOTOR VEHICLES ✓

A ✓dealer, distributor, manufacturer, or transporter of vehicles may register with DOT ✓and obtain issuance of vehicle registration plates. ✓ A finance company or financial institution ✓may also register with DOT and obtain issuance of vehicle registration plates. ✓ Under certain circumstances, the ✓dealer, ✓distributor, manufacturer, transporter, finance company, or financial institution ✓may display these plates on an ✓unregistered vehicle and legally operate the vehicle on the highway. These plates are valid for a calendar year and, upon renewal of the plates, DOT may issue a registration tag or decal instead of issuing new plates. ✓

This bill allows ✓DOT to renew these registration plates without issuing new plates, tags, or decals. ✓

Under current law, if a vehicle owner ✓creates a ✓security interest in a vehicle, the owner and the ✓secured party are usually required to follow certain procedures to have the secured party identified on the vehicle's certificate of title. ✓ When certain requirements are met, DOT issues to the vehicle owner ✓a new certificate of title containing the name and address of the new secured party. ✓ DOT must also deliver to the new secured party and to the ✓register of deeds of the county of the owner's residence ✓memoranda evidencing the notation of the security interest on the certificate. ✓

Under this bill, DOT must deliver to the new secured party memoranda evidencing the notation of the security interest on the certificate of title only if the secured party is exempt from electronic filing of security interests.

OTHER TRANSPORTATION

Under current law, DOT may accept payment by credit card, debit card, or any other electronic payment mechanism of certain fees, which generally derive from transactions related to motor vehicles or motor vehicle operators. DOT may charge a convenience fee for each transaction in which payment by credit card, debit card, or other electronic payment mechanism is made. The amount of the convenience fee is established by DOT by rule, but must approximate the cost to DOT of providing the payment service. Until a rule is promulgated, the convenience fee is set by statute at \$2.50 for each transaction.

This bill allows DOT to accept payment by credit card, debit card, or any other electronic payment mechanism of any fee, not limited to fees in connection with transactions related to motor vehicles or motor vehicle operators. The bill also allows DOT to charge a convenience fee whenever payment by credit card, debit card, or other electronic payment mechanism is made.

This bill also allows DOT to establish procedures for conducting any transaction in an electronic format or using an electronic process. DOT may promulgate rules requiring a person to pay an additional fee for conducting an in-person, telephone, or paper transaction in lieu of using an electronic filing or submission option when DOT has made an electronic filing or submission option available.

X-Spc → For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 85.14 (title) of the statutes is amended to read:

2 **85.14 (title) Payments of fees and deposits by credit card, debit card, or**
3 **other electronic payment mechanism; electronic transactions.**

History: 1985 a. 29; 1989 a. 31; 1991 a. 39; 1995 a. 201; 2003 a. 33; 2009 a. 28.

4 SECTION 2. 85.14 (1) (a) of the statutes is amended to read:

5 85.14 (1) (a) The department may accept payment by credit card, debit card,
6 or any other electronic payment mechanism of ~~a~~ any fee that is required to be paid
7 to the department under ch. 194, 218, 341, 342, 343 or 348. The department shall
8 determine which fees may be paid by credit card, debit card, or any other electronic

1 payment mechanism and the manner in which the payments may be made. If the
2 department permits the payment of a fee by credit card, debit card, or any other
3 electronic payment mechanism, the department may charge a convenience fee for
4 each transaction in an amount to be established by rule. The convenience fee shall
5 approximate the cost to the department for providing this service to persons who
6 request it. If the department permits the payment of a fee by credit card, debit card,
7 or any other electronic payment mechanism, the department may charge a service
8 fee of \$2.50 for each transaction until a rule is promulgated under this paragraph.

History: 1985 a. 29; 1989 a. 31; 1991 a. 39; 1995 a. 201~~x~~003 a. 33; 2009 a. 28.

9 **SECTION 3.** 85.14 (3) of the statutes is created to read:

10 85.14 (3) Notwithstanding any other provision of this chapter or ch. 84, 86, 110,
11 114, 194, 218, 340 to 349, or 351, the department may establish procedures for
12 conducting any transaction in an electronic format or using an electronic process.

13 **SECTION 4.** 85.14 (4) of the statutes is created to read:

14 85.14 (4) The department may promulgate rules requiring persons^a to pay an^g
15 additional fee for conducting an in-person, telephone, or paper transaction in lieu
16 of using an electronic filing or submission option when the department has made an
17 electronic filing or submission option available. These rules may provide for
18 exemptions from the additional fee for designated categories of persons or
19 transactions. The fee authorized under this subsection is in addition to any other fee
20 that may be imposed by the department.

21 **SECTION 5.** 341.13 (3m) of the statutes is repealed.

22 **SECTION 6.** 341.52~~x~~ of the statutes is amended to read:

23 **341.52 Design of registration plates.** Registration plates for dealers,
24 distributors, manufacturers, and transporters are subject to the provisions of s.

1 341.12 (2) and (3) ~~except s. 341.12 (3) (c).~~[✓] In addition, each plate shall have displayed
2 upon it a symbol capable of distinguishing it from any other plate which may be
3 issued to the same dealer, distributor, manufacturer, or transporter.

History: 1989 a. 31.

4 **SECTION 7.** 341.53 of the statutes is amended to read:

5 **341.53 Expiration of registration; transferability of plates.** Certificates
6 of registration and registration plates issued to dealers, distributors, manufacturers,
7 or transporters shall be issued for the calendar year and are valid only during the
8 calendar year for which issued. ~~Notwithstanding s. 341.13 (3), the department may~~[✓]
9 ~~renew registration plates issued to dealers, distributors, manufacturers, or~~
10 ~~transporters without issuing new plates or insert~~[✓] ~~tags, decals, or other evidence of~~
11 ~~registration.~~[✓] Registration plates are transferable from one motor vehicle, trailer or
12 semitrailer to another motor vehicle, trailer or semitrailer and from one recreational
13 vehicle to another.

History: 1999 a. 9.

14 **SECTION 8.** 341.57 (2) of the statutes is amended to read:

15 341.57 (2) A finance company licensed under ss. 138.09 or 218.0101 to
16 218.0163, a credit union licensed under ch. 186, a savings bank organized under ch.
17 214, a savings and loan association organized under ch. 215 or a state bank or a
18 national bank with offices in this state may apply to the department for registration
19 on such form as the department provides. Upon receipt of the application together
20 with a registration fee of \$75, the department shall register the applicant and shall
21 issue one registration plate containing the registration number assigned to the
22 applicant. The department, upon receiving a fee of \$5 for each additional plate
23 desired by the applicant, shall issue additional plates as the applicant orders.
24 Section 341.52 applies to the design of the plates. The registration and plates are

1 valid only during the calendar year for which issued. Notwithstanding s. 341.13 (3),
2 the department may renew registration plates issued under this subsection without
3 issuing new plates or insert tags, decals, or other evidence of registration. A plate
4 is transferable from one motor vehicle to another. The department may charge a fee
5 of \$2 per plate for replacing lost, damaged or illegible plates issued under this
6 subsection.

History: 1971 c. 278; 1973 c. 246; 1977 c. 29 s. 1654 (7); 1979 c. 221; 1983 a. 156; 1985 a. 29; 1991 a. 221; 1999 a. 31.

7 **SECTION 9.** 342.20 (3) of the statutes is amended to read:

8 342.20 (3) Upon receipt of the certificate of title, application, and the required
9 fee, or upon receipt of the security interest statement and required fee if the secured
10 party has utilized the process specified in s. 342.245 (1), the department shall issue
11 to the owner a new certificate containing the name and address of the new secured
12 party. The department shall deliver to such new secured party unless the secured
13 party utilized the process specified in s. 342.245 (1), and to the register of deeds of
14 the county of the owner's residence, memoranda, in such form as the department
15 prescribes, evidencing the notation of the security interest upon the certificate; and
16 thereafter, upon any assignment, termination or release of the security interest,
17 additional memoranda evidencing such action.

History: 1975 c. 286; 1977 c. 29 s. 1654 (7) (a); 1981 c. 20; 1985 a. 202 s. 37; 1993 a. 301; 1995 a. 338; 1997 a. 27; 2009 a. 28.

18 **SECTION 10.** 348.27 (11m) (d) of the statutes is amended to read:

19 348.27 (11m) (d) The secretary of transportation may limit the application of
20 permits issued under this subsection to specific areas of the state or to specific
21 highways. A permit authorized under this subsection takes effect upon the mailing
22 or delivery of a complete application and the required fee to the department. A

- 1 permit authorized under this subsection is valid for up to 90 days, as determined by
2 the secretary of transportation.

History: 1973 c. 157, 316; 1973 c. 333 s. 190m; 1973 c. 336; 1975 c. 25, 285; 1977 c. 29 ss. 1488m, 1654 (8) (a); 1977 c. 30 s. 5; 1977 c. 191, 197, 272, 273, 418; 1979 c. 34, 315, 326; 1981 c. 20, 69, 163, 215, 391; 1983 a. 78 ss. 32 to 35, 37; 1983 a. 529; 1985 a. 29 s. 3202 (3); 1985 a. 202, 212; 1987 a. 27; 1989 a. 31, 35, 130, 305; 1991 a. 258; 1993 a. 62, 439; 1995 a. 113, 163, 227, 347, 348; 1997 a. 27, 35, 237; 1999 a. 85; 2001 a. 16; 2003 a. 210, 241; 2005 a. 119, 167, 250; 2007 a. 11, 16, 171; 2009 a. 28, 222, 229.

- 3 (END)



DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0056/P1dn

ARG: A:....

date

jld

ATTN: Tyler Byrnes✓

Please review the attached draft carefully. As noted below, one item in the drafting instructions is omitted from this draft.

I have not amended s. 341.255 (2)✓ because I have assumed that DOT wishes to retain this surcharge for counter service. I have not amended s. 341.04 (1)✓, 341.65 (2) (e) 2m.✓, 342.05 (4)✓, 342.15 (6) (a) and (b)✓, or 342.20 (2) because I believe, in an electronic transaction, the fee would be delivered to DOT instantaneously.✓

Biennial I am unclear what statutory changes are desired by the following instruction and I have therefore not incorporated this item into the draft: "To implement electronic titling, Wisconsin law must be changed to title on file with the lienholder."✓ As you know, the 2009 Budget Act (Act 28) contained important changes related to electronic processing of vehicle title security interests.✓ Current law authorizes DOT to issue electronic certificates of title. If a physical title document has been issued, in many instances a secured party is required to destroy this physical certificate of title. See s. 342.245 (2)✓. This may be done because the official vehicle title record is the record maintained by DOT, which can be DOT's electronic title. See s. 342.09 (4)✓. If the instruction above means that vehicle titles should be issued to a secured party instead of the vehicle owner, it is unclear to me why this is necessary to accomplish electronic titling, in light of these other provisions of current law. I note that DOT has previously reviewed the provisions of the Uniform Certificate of Title Act (UCOTA), which includes components related to electronic titling and issuance of title documents to lienholders rather than vehicle owners.✓ If the intent is to adopt certain UCOTA provisions, it would be helpful if DOT could assist in identifying those desired provisions or the specific changes to chapter 342 that DOT believes to be necessary. I also note that issuing title to the lienholder instead of the vehicle owner is inconsistent with the instruction immediately following the instruction quoted above (drafted as bill section 9 in the attached draft), which relates to notice provided to the lienholder precisely because the lienholder does not receive the title document.✓

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0056/P1dn
ARG:jld:jf

October 19, 2010

ATTN: Tyler Byrnes

Please review the attached draft carefully. As noted below, one item in the drafting instructions is omitted from this draft.

I have not amended s. 341.255 (2) because I have assumed that DOT wishes to retain this surcharge for counter service. I have not amended s. 341.04 (1), 341.65 (2) (e) 2m., 342.05 (4), 342.15 (6) (a) and (b), or 342.20 (2) because I believe, in an electronic transaction, the fee would be delivered to DOT instantaneously.

I am unclear what statutory changes are desired by the following instruction and I have therefore not incorporated this item into the draft: "To implement electronic titling, Wisconsin law must be changed to 'title on file with the lienholder.'" As you know, the 2009 Biennial Budget Act (Act 28) contained important changes related to electronic processing of vehicle title security interests. Current law authorizes DOT to issue electronic certificates of title. If a physical title document has been issued, in many instances a secured party is required to destroy this physical certificate of title. *See* s. 342.245 (2). This may be done because the official vehicle title record is the record maintained by DOT, which can be DOT's electronic title. *See* s. 342.09 (4). If the instruction above means that vehicle titles should be issued to a secured party instead of the vehicle owner, it is unclear to me why this is necessary to accomplish electronic titling, in light of these other provisions of current law. I note that DOT has previously reviewed the provisions of the Uniform Certificate of Title Act (UCOTA), which includes components related to electronic titling and issuance of title documents to lienholders rather than vehicle owners. If the intent is to adopt certain UCOTA provisions, it would be helpful if DOT could assist in identifying those desired provisions or the specific changes to chapter 342 that DOT believes to be necessary. I also note that issuing title to the lienholder instead of the vehicle owner is inconsistent with the instruction immediately following the instruction quoted above (drafted as bill section 9 in the attached draft), which relates to notice provided to the lienholder precisely because the lienholder does not receive the title document.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

Gary, Aaron

From: Byrnes, Tyler - DOA [Tyler.Byrnes@wisconsin.gov]

Sent: Friday, December 17, 2010 9:42 AM

To: Gary, Aaron

Subject: FW: Electronic Interactions Draft

Attachments: 97-03796.pdf

Aaron,

In response to your drafters note on LRB-0056/p1 related to the "title on file with lien holder" instructions, the department would like the language in the attached draft included in the Electronic Interactions Draft. They indicate that the attached drafts make the necessary changes.

Thanks,

Tyler

12/29/2010

Attachment to e-mail

DOA:.....Percy - Lienholders and vehicle titles

FOR 1997-99 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; **relating to:** application for, and issuance and delivery of, certificates
2 of title.

Analysis by the Legislative Reference Bureau

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, the department of transportation (DOT) issues and delivers a certificate of title (certificate) to the owner of a vehicle upon receipt of an application and the fee required for titling the vehicle. However, if a secured party holds legal title to a vehicle, the debtor is considered the owner of the vehicle and DOT issues and delivers the certificate to the debtor if the debtor has the immediate right of possession of the vehicle.

This bill requires DOT, if there is a perfected security interest in the vehicle, to deliver the certificate to the secured party having the primary perfected security interest in the vehicle. Delivery of a certificate may be made by electronic transmission. The bill also permits an application for a certificate and related forms to be in an automated format.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 218.01 (7a) (a) of the statutes is amended to read:

2 218.01 **(7a)** (a) A motor vehicle may not be offered for sale by any motor vehicle
3 dealer or motor vehicle salesperson unless the mileage on the motor vehicle is
4 disclosed in writing by the transferor on the certificate of title or on a form or in an
5 automated format authorized by the department of transportation to reassign the
6 title to the dealer and the disclosure is subsequently shown to the retail purchaser
7 by the dealer or salesperson prior to sale. The department of transportation may
8 promulgate rules to exempt types of motor vehicles from this mileage disclosure
9 requirement and shall promulgate rules for making the disclosure requirement on
10 a form or in an automated format other than the certificate of title.

11 **SECTION 2.** 218.015 (2) (c) of the statutes is amended to read:

12 218.015 **(2)** (c) To receive a comparable new motor vehicle or a refund due under
13 par. (b) 1. or 2., a consumer described under sub. (1) (b) 1., 2. or 3. shall offer to the
14 manufacturer of the motor vehicle having the nonconformity to transfer title of that
15 motor vehicle to that manufacturer. No later than 30 days after that offer, the
16 manufacturer shall provide the consumer with the comparable new motor vehicle or
17 refund. When the manufacturer provides the new motor vehicle or refund, the
18 consumer shall return the motor vehicle having the nonconformity to the
19 manufacturer and provide the manufacturer with the certificate of title and all
20 endorsements necessary to transfer title to the manufacturer. If another person is
21 in possession of the certificate of title, as shown by the records of the department of
22 transportation, that person shall, upon request of the consumer, provide the
23 certificate to the manufacturer or to the consumer.

24 **SECTION 3.** 218.015 (2) (cm) 2. of the statutes is amended to read:

1 218.015 (2) (cm) 2. To receive a refund due under par. (b) 3., a motor vehicle
2 lessor shall offer to the manufacturer of the motor vehicle having the nonconformity
3 to transfer title of that motor vehicle to that manufacturer. No later than 30 days
4 after that offer, the manufacturer shall provide the refund to the motor vehicle lessor.
5 When the manufacturer provides the refund, the motor vehicle lessor shall provide
6 to the manufacturer the certificate of title and all endorsements necessary to
7 transfer title to the manufacturer. If another person is in possession of the certificate
8 of title, as shown by the records of the department of transportation, that person
9 shall, upon request of the motor vehicle lessor, provide the certificate to the
10 manufacturer or to the motor vehicle lessor.

11 **SECTION 4.** 218.33 (2) (b) of the statutes is amended to read:

12 218.33 (2) (b) For each motor vehicle offered for sale by a motor vehicle dealer,
13 the transferring dealer shall provide the motor vehicle auction dealer with clear title
14 or shall furnish title insurance at the time of the sale. For each motor vehicle sold
15 at an auction, the motor vehicle auction dealer shall enter on the certificate of title,
16 or on the form or in the automated format used to reassign the title, any information
17 that the department requires to indicate that ownership of the vehicle was
18 transferred through an auction sale.

19 **SECTION 5.** 218.52 (3) of the statutes is amended to read:

20 218.52 (3) For each motor vehicle sold by a motor vehicle salvage pool, the
21 motor vehicle salvage pool shall enter on the certificate of title, or on the form or in
22 the automated format used to reassign the title, any information that the
23 department requires to indicate that ownership of the vehicle was transferred by a
24 motor vehicle salvage pool.

1 **SECTION 6.** 341.10 (3) of the statutes, as affected by 1997 Wisconsin Act (this
2 act), is repealed and recreated to read:

3 **341.10 (3)** A certificate of title is a prerequisite to registration of the vehicle
4 and, except for an applicant who is the lessee of a vehicle, a valid certificate of title
5 has not been issued to the applicant for the vehicle and the applicant is not entitled
6 to the issuance of a certificate of title.

 ****NOTE: This is reconciled s. 341.10 (3). This SECTION has been affected by drafts
with the following LRB numbers: LRB-0389.

7 **SECTION 7.** 341.14 (6m) (b) (intro.), 1. and 2. of the statutes are amended to read:

8 **341.14 (6m) (b) (intro.)** Except as provided in par. (c), if an individual in
9 possession of special plates under this subsection or of personalized plates under s.
10 341.145 (1) (b) does not maintain membership in the national guard during a year
11 which is not a plate issuance year, the individual shall do all of the following:

- 12 1. Dispose of the special plates in a manner prescribed by the department;
13 2. In addition to the regular application fee, pay a \$4 fee for the issuance of
14 replacement plates; ~~and~~.

15 **SECTION 8.** 341.14 (6m) (b) 3. of the statutes is repealed.

16 **SECTION 9.** 341.14 (6r) (g) (intro.) of the statutes, as affected by 1997 Wisconsin
17 Act (this act), is repealed and recreated to read:

18 **341.14 (6r) (g) (intro.)** If an individual in possession of special plates under par.
19 (f) 33., 34. or 48. or of personalized plates under s. 341.145 (1) (c) of the same color
20 and design as special plates under par. (f) 33., 34. or 48. does not maintain
21 membership in the applicable authorized special group during a year which is not
22 a plate issuance year, the individual shall do all of the following:

 ****NOTE: This is reconciled s. 341.14 (6r) (g) (intro.). This SECTION has been
affected by drafts with the following LRB numbers: LRB-0389.

1 **SECTION 10.** 341.14 (6r) (g) 1. and 2. of the statutes are amended to read:

2 341.14 **(6r)** (g) 1. Dispose of the special plates in a manner prescribed by the
3 department;

4 2. In addition to the regular application fee, pay a \$4 fee for the issuance of
5 replacement plates; ~~and.~~

6 **SECTION 11.** 341.14 (6r) (g) 3. of the statutes is repealed.

7 **SECTION 12.** 341.145 (5) (intro.), (a) and (b) of the statutes are amended to read:

8 341.145 **(5)** (intro.) If an individual in possession of a personalized registration
9 plate does not maintain the personalized registration plate under sub. (3) during a
10 year which is not a plate issuance year, the individual shall do all of the following:

11 (a) Dispose of the personalized plate in a manner prescribed by the
12 department;

13 (b) In addition to the regular application fee, pay a \$4 fee for the issuance of
14 replacement plates; ~~and.~~

15 **SECTION 13.** 341.145 (5) (c) of the statutes is repealed.

16 **SECTION 14.** 342.01 (2) (a) of the statutes is renumbered 342.01 (2) (am).

17 **SECTION 15.** 342.01 (2) (ag) of the statutes is created to read:

18 342.01 **(2)** (ag) "Deliver" includes electronic transmission.

19 **SECTION 16.** 342.06 (1) (intro.) of the statutes is amended to read:

20 342.06 **(1)** (intro.) An application for a certificate of title shall be made to the
21 department upon a form or in an automated format prescribed by it and shall be
22 accompanied by the required fee. Each application for certificate of title shall include
23 the following information:

24 **SECTION 17.** 342.06 (1) (i) of the statutes is amended to read:

1 342.06 (1) (i) A place for an applicant who is a natural person to designate that
2 the applicant's name, street address, post-office box number and 9-digit extended
3 zip code may not be disclosed as provided in s. 341.17 (9), a statement indicating the
4 effect of making such a designation and a place for an applicant who has made a
5 designation under this paragraph to reverse the designation. The department may
6 provide for these designations and statement on an alternative form or in an
7 automated format.

8 **SECTION 18.** 342.06 (1m) of the statutes is amended to read:

9 342.06 (1m) On the form or in the automated format for application for a
10 certificate of title, the department may show the fee under s. 342.14 (3m) separately
11 from the fee under s. 342.14 (1) or (3).

12 **SECTION 19.** 342.09 (1) of the statutes is renumbered 342.09 (1) (a) and
13 amended to read:

14 342.09 (1) (a) The department shall maintain a record of each application for
15 certificate of title received by it and, when satisfied as to its genuineness and
16 regularity and that the applicant is entitled to the issuance of a certificate of title,
17 shall issue and, except as provided in par. (b), deliver a certificate to the owner of the
18 vehicle.

19 **SECTION 20.** 342.09 (1) (b) of the statutes is created to read:

20 342.09 (1) (b) If there is a perfected security interest in a vehicle, the
21 department shall deliver the certificate of title to the secured party having the
22 primary perfected security interest in the vehicle.

23 **SECTION 21.** 342.10 (6) of the statutes is created to read:

24 342.10 (6) A certificate of title may be issued by the department in an
25 automated format.

1 **SECTION 22.** 342.13 (1) of the statutes is amended to read:

2 342.13 (1) If a certificate of title is lost, stolen, mutilated or destroyed or
3 becomes illegible, the owner or ~~legal representative of the owner named in person in~~
4 possession of the certificate, as shown by the records of the department, shall
5 promptly make application for and may obtain a replacement upon furnishing
6 information satisfactory to the department. The replacement certificate of title shall
7 contain the legend "This is a replacement certificate and may be subject to the rights
8 of a person under the original certificate". If applicable under s. 346.65 (6), the
9 replacement certificate of title shall include the notation "Per section 346.65 (6) of
10 the Wisconsin statutes, ownership of this motor vehicle may not be transferred
11 without prior court approval".

12 **SECTION 23.** 342.15 (1) (a) of the statutes is amended to read:

13 342.15 (1) (a) If an owner transfers an interest in a vehicle, other than by the
14 creation of a security interest, the owner shall comply with the requirements of s.
15 342.155 and, at the time of the delivery of the vehicle, execute an assignment and
16 warranty of title to the transferee in the space provided therefor on the certificate,
17 and the owner or person in possession of the certificate, as shown by the records of
18 the department, shall cause the certificate to be mailed or delivered to the transferee,
19 except that if the vehicle being transferred is a junk vehicle or has been junked, the
20 owner shall return the certificate to the department in accordance with s. 342.34.

21 **SECTION 24.** 342.15 (1) (c) of the statutes is amended to read:

22 342.15 (1) (c) If an owner transfers his or her interest in a salvage vehicle, the
23 owner shall at the time of the delivery of the vehicle, execute an assignment and
24 warranty of title to the transferee in the space provided therefor on the certificate,

1 and the owner or person in possession of the certificate, as shown by the records of
2 the department, shall cause the certificate to be mailed or delivered to the transferee.

3 **SECTION 25.** 342.15 (5) of the statutes is amended to read:

4 342.15 (5) Any owner of a vehicle for which a certificate of title has been issued,
5 who upon transfer of the vehicle fails to execute ~~and deliver~~ the assignment and
6 warranty of title required by sub. (1), or the owner or person in possession of such
7 certificate of title, as shown by the records of the department, who fails to deliver the
8 assignment and warranty of title required by sub. (1), may be required to forfeit not
9 more than \$500.

10 **SECTION 26.** 342.155 (1) (b) of the statutes is amended to read:

11 342.155 (1) (b) The mileage disclosure statement required under par. (a) shall
12 be made in the spaces provided on the certificate of title or on a form or in an
13 automated format authorized by the department. The transferee shall print his or
14 her name on the mileage disclosure statement, sign the statement and return a copy
15 of the statement to the transferor. Except as authorized by rule of the department,
16 no person may sign a mileage disclosure statement as both the transferor and
17 transferee in the same transaction.

18 **SECTION 27.** 342.20 (1) of the statutes is amended to read:

19 342.20 (1) The owner shall immediately execute, in the space provided therefor
20 on the certificate of title or on a separate form or in an automated format prescribed
21 by the department, an application to name the secured party on the certificate,
22 showing the name and address of the secured party, and the owner or person in
23 possession of the owner's certificate, as shown by the records of the department, shall
24 cause the certificate, application and the required fee to be delivered to the secured
25 party.

1 **SECTION 28.** 342.23 (2) (a) of the statutes is amended to read:

2 342.23 **(2)** (a) An owner or person in possession of the owner's certificate of title,
3 as shown by the records of the department, shall promptly deliver the ~~owner's~~
4 certificate of title to any secured party who is named on it or who has a security
5 interest in the vehicle described in it under any other applicable prior law of this
6 state, upon receipt of a notice from such secured party that the security interest is
7 to be assigned, extended or perfected.

8 **SECTION 29.** 346.65 (6) (a) 2m. of the statutes is amended to read:

9 346.65 **(6)** (a) 2m. A person who owns a motor vehicle subject to seizure,
10 equipping with an ignition interlock device or immobilization under this paragraph
11 shall surrender to the clerk of circuit court the certificate of title issued under ch. 342
12 for every motor vehicle owned by the person for which a certificate of title has been
13 issued and delivered to the person under ch. 342. The person shall comply with this
14 subdivision within 5 working days after receiving notification of this requirement
15 from the district attorney. When a district attorney receives a copy of a notice of
16 intent to revoke the operating privilege under s. 343.305 (9) (a) of a person who has
17 2 or more convictions, suspensions or revocations within a 5-year period, as counted
18 under s. 343.307 (1), or when a district attorney notifies the department of the filing
19 of a criminal complaint against a person under s. 342.12 (4) (a), the district attorney
20 shall notify the person of the requirement to surrender to the clerk of circuit court
21 all certificates of title to the clerk of circuit court that have been issued and delivered
22 to the person. The notification shall include the time limits for that surrender, the
23 penalty for failure to comply with the requirement and the address of the clerk of
24 circuit court. The clerk of circuit court shall promptly return each certificate of title
25 surrendered to the clerk of circuit court under this subdivision after stamping the

1 certificate of title with the notation "Per section 346.65 (6) of the Wisconsin statutes,
2 ownership of this motor vehicle may not be transferred without prior court approval".

3 Any person failing to surrender a certificate of title as required under this
4 subdivision shall forfeit not more than \$500.

5 **SECTION 9149. Nonstatutory provisions; transportation.**

6 (1) CERTIFICATES OF TITLE. Notwithstanding chapter 342 of the statutes, as
7 affected by this act, beginning on the effective date of this subsection, the department
8 of transportation may, for 6 months after the effective date of this subsection, issue
9 and deliver certificates of title under applicable provisions of chapter 342 of the
10 statutes that are in effect on the day before the effective date of this subsection.

11 **SECTION 9349. Initial applicability; transportation.**

12 (1) CERTIFICATES OF TITLE.

13 (a) The treatment of sections 342.01 (2) (a) and (ag), 342.06 (1) (intro.) and (i)
14 and (1m), 342.10 (6) and 342.13 (1) of the statutes, the renumbering and amendment
15 of section 342.09 (1) of the statutes and the creation of section 342.09 (1) (b) of the
16 statutes first apply to applications for certificates of title that are submitted on the
17 effective date of this paragraph.

18 (b) The treatment of section 346.65 (6) (a) 2m. of the statutes first applies to
19 offenses committed on the effective date of this paragraph, but does not preclude the
20 counting of prior convictions, suspensions or revocations when determining if a
21 vehicle should be seized, equipped with an ignition interlock device or immobilized.

22 **SECTION 9449. Effective dates; transportation.**

23 (1) CERTIFICATES OF TITLE. The treatment of sections 218.01 (7a) (a), 218.015 (2)
24 (c) and (cm) 2., 218.33 (2) (b), 218.52 (3), 341.14 (6m) (b) (intro.), 1., 2. and 3. and (6r)
25 (g) 1., 2. and 3., 341.145 (5) (intro.), (a), (b) and (c), 342.01 (2) (a) and (ag), 342.06 (1)

1 (intro.) and (i) and (1m), 342.10 (6), 342.13 (1), 342.15 (1) (a) and (c) and (5), 342.155
2 (1) (b), 342.20 (1), 342.23 (2) (a) and 346.65 (6) (a) 2m. of the statutes, the
3 renumbering and amendment of section 342.09 (1) of the statutes, the repeal and
4 recreation of sections 341.10 (3) and 341.14 (6r) (g) (intro.) of the statutes, the
5 creation of section 342.09 (1) (b) of the statutes and SECTIONS 9149 (1) and 9349 (1)
6 of this act take effect on January 1, 1999.

7 (END)

Gary, Aaron

From: Gary, Aaron
Sent: Thursday, December 23, 2010 4:07 PM
To: Byrnes, Tyler - DOA
Subject: RE: Electronic Interactions Draft

Tyler,

As part of the original instructions, DOT wanted a modification in s. 342.20 (3) relating to notice sent to the secured party. (Section 9 of LRB-0056/P1.) If DOT is now going to deliver the certificate of title to the secured party rather than to the owner, why would DOT need to deliver this notice at all? [I also raised this issue in the drafter's note.]

Can you let me know what, if any, changes you want to s. 342.20 (3) [from how it appears in bill section 9 of LRB-0056/P1] in the redraft?

Thanks.

Have a Happy Holiday.

Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Byrnes, Tyler - DOA [<mailto:Tyler.Byrnes@wisconsin.gov>]
Sent: Friday, December 17, 2010 9:42 AM
To: Gary, Aaron
Subject: FW: Electronic Interactions Draft

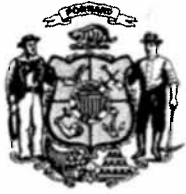
Aaron,

In response to your drafter's note on LRB-0056/p1 related to the "title on file with lien holder" instructions, the department would like the language in the attached draft included in the Electronic Interactions Draft. They indicate that the attached drafts make the necessary changes.

Thanks,

Tyler

12/23/2010



State of Wisconsin
2011 - 2012 LEGISLATURE

in
12/29



LRB-0056/22
ARG:jld:jf

DOA:.....Byrnes, BB0068 - Online business transactions

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

RNR

Note

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do not gen
AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

insert ANKL
x
Under current law,
A dealer, distributor, manufacturer, or transporter of vehicles may register with DOT and obtain issuance of vehicle registration plates. A finance company or financial institution may also register with DOT and obtain issuance of vehicle registration plates. Under certain circumstances, the dealer, distributor, manufacturer, transporter, finance company, or financial institution may display these plates on an unregistered vehicle and legally operate the vehicle on the highway. These plates are valid for a calendar year and, upon renewal of the plates, DOT may issue a registration tag or decal instead of issuing new plates.

This bill allows DOT to renew these registration plates without issuing new plates, tags, or decals.

Under current law, if a vehicle owner creates a security interest in a vehicle, the owner and the secured party are usually required to follow certain procedures to have the secured party identified on the vehicle's certificate of title. When certain requirements are met, DOT issues to the vehicle owner a new certificate of title containing the name and address of the new secured party. DOT must also deliver to the new secured party and to the register of deeds of the county of the owner's residence memoranda evidencing the notation of the security interest on the certificate.

Under this bill, DOT must deliver to the new secured party memoranda evidencing the notation of the security interest on the certificate of title only if the secured party is exempt from electronic filing of security interests.

OTHER TRANSPORTATION

Under current law, DOT may accept payment by credit card, debit card, or any other electronic payment mechanism of certain fees, which generally derive from transactions related to motor vehicles or motor vehicle operators. DOT may charge a convenience fee for each transaction in which payment by credit card, debit card, or other electronic payment mechanism is made. The amount of the convenience fee is established by DOT by rule, but must approximate the cost to DOT of providing the payment service. Until a rule is promulgated, the convenience fee is set by statute at \$2.50 for each transaction.

This bill allows DOT to accept payment by credit card, debit card, or any other electronic payment mechanism of any fee, not limited to fees in connection with transactions related to motor vehicles or motor vehicle operators. The bill also allows DOT to charge a convenience fee whenever payment by credit card, debit card, or other electronic payment mechanism is made.

This bill also allows DOT to establish procedures for conducting any transaction in an electronic format or using an electronic process. DOT may promulgate rules requiring a person to pay an additional fee for conducting an in-person, telephone, or paper transaction in lieu of using an electronic filing or submission option when DOT has made an electronic filing or submission option available.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 85.14 (title) of the statutes is amended to read:

2 **85.14 (title) ~~Payments of fees and deposits by credit card, debit card,~~**
3 **~~or other electronic payment mechanism; electronic transactions.~~**

4 **SECTION 2.** 85.14 (1) (a) of the statutes is amended to read:

5 85.14 (1) (a) The department may accept payment by credit card, debit card,
6 or any other electronic payment mechanism of ~~a~~ any fee that is required to be paid
7 to the department ~~under ch. 194, 218, 341, 342, 343 or 348.~~ The department shall
8 determine which fees may be paid by credit card, debit card, or any other electronic

1 payment mechanism and the manner in which the payments may be made. If the
2 department permits the payment of a fee by credit card, debit card, or any other
3 electronic payment mechanism, the department may charge a convenience fee for
4 each transaction in an amount to be established by rule. The convenience fee shall
5 approximate the cost to the department for providing this service to persons who
6 request it. If the department permits the payment of a fee by credit card, debit card,
7 or any other electronic payment mechanism, the department may charge a service
8 fee of \$2.50 for each transaction until a rule is promulgated under this paragraph.

9 SECTION 3. 85.14 (3) of the statutes is created to read:

10 85.14 (3) Notwithstanding any other provision of this chapter or chs. 84, 86,
11 110, 114, 194, 218, 340 to 349, or 351, the department may establish procedures for
12 conducting any transaction in an electronic format or using an electronic process.

13 SECTION 4. 85.14 (4) of the statutes is created to read:

14 85.14 (4) The department may promulgate rules requiring a person to pay an
15 additional fee for conducting an in-person, telephone, or paper transaction in lieu
16 of using an electronic filing or submission option when the department has made an
17 electronic filing or submission option available. These rules may provide for
18 exemptions from the additional fee for designated categories of persons or
19 transactions. The fee authorized under this subsection is in addition to any other fee
20 that may be imposed by the department.

21 SECTION 5. 341.13 (3m) of the statutes is repealed.

22 SECTION 6. 341.52 of the statutes is amended to read:

23 **341.52 Design of registration plates.** Registration plates for dealers,
24 distributors, manufacturers, and transporters are subject to the provisions of s.
25 341.12 (2) and (3) except s. 341.12 (3) (c). In addition, each plate shall have displayed

✓
insert
3-12

✓
insert
3-20

1 upon it a symbol capable of distinguishing it from any other plate which may be
2 issued to the same dealer, distributor, manufacturer, or transporter.

3 SECTION 7. 341.53 of the statutes is amended to read:

4 **341.53 Expiration of registration; transferability of plates.** Certificates
5 of registration and registration plates issued to dealers, distributors, manufacturers,
6 or transporters shall be issued for the calendar year and are valid only during the
7 calendar year for which issued. Notwithstanding s. 341.13 (3), the department may
8 renew registration plates issued to dealers, distributors, manufacturers, or
9 transporters without issuing new plates or insert tags, decals, or other evidence of
10 registration. Registration plates are transferable from one motor vehicle, trailer or
11 semitrailer to another motor vehicle, trailer or semitrailer and from one recreational
12 vehicle to another.

13 SECTION 8. 341.57 (2) of the statutes is amended to read:

14 341.57 (2) A finance company licensed under ss. 138.09 or 218.0101 to
15 218.0163, a credit union licensed under ch. 186, a savings bank organized under ch.
16 214, a savings and loan association organized under ch. 215 or a state bank or a
17 national bank with offices in this state may apply to the department for registration
18 on such form as the department provides. Upon receipt of the application together
19 with a registration fee of \$75, the department shall register the applicant and shall
20 issue one registration plate containing the registration number assigned to the
21 applicant. The department, upon receiving a fee of \$5 for each additional plate
22 desired by the applicant, shall issue additional plates as the applicant orders.
23 Section 341.52 applies to the design of the plates. The registration and plates are
24 valid only during the calendar year for which issued. Notwithstanding s. 341.13 (3),
25 the department may renew registration plates issued under this subsection without

1 issuing new plates or insert tags, decals, or other evidence of registration. A plate
2 is transferable from one motor vehicle to another. The department may charge a fee
3 of \$2 per plate for replacing lost, damaged or illegible plates issued under this
4 subsection.

5 **SECTION 9.** 342.20 (3) of the statutes is amended to read:

6 342.20 (3) Upon receipt of the certificate of title, application, and the required
7 fee, or upon receipt of the security interest statement and required fee if the secured
8 party has utilized the process specified in s. 342.245 (1), the department shall issue
9 to the owner a new certificate containing the name and address of the new secured
10 party. The department shall deliver to such new secured party, unless the secured
11 party utilized the process specified in s. 342.245 (1), and to the register of deeds of
12 the county of the owner's residence, memoranda, in such form as the department
13 prescribes, evidencing the notation of the security interest upon the certificate; and
14 thereafter, upon any assignment, termination or release of the security interest,
15 additional memoranda evidencing such action.

16 **SECTION 10.** 348.27 (11m) (d) of the statutes is amended to read:

17 348.27 (11m) (d) The secretary of transportation may limit the application of
18 permits issued under this subsection to specific areas of the state or to specific
19 highways. A permit authorized under this subsection takes effect upon the mailing
20 or delivery of a complete application and the required fee to the department. A
21 permit authorized under this subsection is valid for up to 90 days, as determined by
22 the secretary of transportation.

(END)

D-Note

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0056/lins
ARG:.....

INSERT ANAL:

Under current law, DOT issues and delivers a certificate of title to the owner of a vehicle upon receipt of a proper application to title the vehicle. If there is a security interest in the vehicle, the security interest is noted on the certificate of title and the vehicle owner, not the secured party, holds the certificate of title.

Under this bill, if there is a security interest in a vehicle, DOT issues the certificate of title in the name of the vehicle owner but delivers the certificate of title to the secured party having the primary perfected security interest in the vehicle. Therefore, the secured party, not the vehicle owner, holds the certificate of title. This certificate of title may be in an automated format, including an electronic or digital form.

INSERT 3-12:

(no 4) Any form prescribed by the department may be prescribed in an automated format to facilitate the department's authority under this subsection.

INSERT 3-20:

SECTION 1. 218.0171 (2) (c) of the statutes is amended to read:

218.0171 (2) (c) To receive a comparable new motor vehicle or a refund due under par. (b) 1. or 2., a consumer described under sub. (1) (b) 1., 2. or 3. shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the consumer with the comparable new motor vehicle or refund. When the manufacturer provides the new motor vehicle or refund, the consumer shall return the motor vehicle having the nonconformity to the manufacturer and provide the manufacturer with the certificate of title and all endorsements necessary to transfer title to the manufacturer. If another person is



1 in possession of the certificate of title,✓ as shown by the records of the department of
2 transportation, that person shall, upon request of the consumer, provide the
3 certificate to the manufacturer or to the consumer.✓

History: 1983 a. 48; 1985 a. 205 ss. 1m to 6, 8; 1987 a. 105, 169, 323, 403; 1989 a. 31; 1999 a. 31 s. 287; Stats. 1999 s. 218.0171; 2001 a. 45; 2009 a. 2.

4 **SECTION 2.** 218.0171 (2) (cm) 2. of the statutes is amended to read:

5 218.0171 (2) (cm) 2. To receive a refund due under par. (b) 3., a motor vehicle
6 lessor shall offer to the manufacturer of the motor vehicle having the nonconformity
7 to transfer title of that motor vehicle to that manufacturer. No later than 30 days
8 after that offer, the manufacturer shall provide the refund to the motor vehicle lessor.
9 When the manufacturer provides the refund, the motor vehicle lessor shall provide
10 to the manufacturer the certificate of title and all endorsements necessary to
11 transfer title to the manufacturer. If another person is in possession of the certificate
12 of title, as shown by the records of the department of transportation,✓ that person
13 shall, upon request of the motor vehicle lessor,✓ provide the certificate to the
14 manufacturer or to the motor vehicle lessor.✓

History: 1983 a. 48; 1985 a. 205 ss. 1m to 6, 8; 1987 a. 105, 169, 323, 403; 1989 a. 31; 1999 a. 31 s. 287; Stats. 1999 s. 218.0171; 2001 a. 45; 2009 a. 2.

15 **SECTION 3.** 218.23 (1) of the statutes is amended to read:

16 218.23 (1) Whenever a licensed motor vehicle salvage dealer acquires a motor
17 vehicle for the purpose of wrecking it, the dealer shall mail or deliver the certificate
18 of title or if the transfer to the salvage dealer was by a bill of sale, the bill of sale, for
19 such vehicle to the department within 30 days after the vehicle is delivered to the
20 salvage yard unless the previous owner already has done so or, if another person is
21 in possession of the certificate of title,✓ as shown by the records of the department of
22 transportation, that person already has done so. If ~~he or she~~ the dealer✓ subsequently
23 wishes to transfer such vehicle to another person, ~~he or she~~ the dealer shall make
24 such transfer only by bill of sale. In such bill of sale, ~~he or she~~ the dealer shall

↙

1 describe the vehicle and shall state that the certificate of title for the vehicle has been
2 mailed or delivered to the department because the vehicle was to have been junked.

3 **History:** 1971 c. 164 s. 83; 1975 c. 288; 1977 c. 29 s. 1654 (7) (a); 1977 c. 273.

(end ins 3-20)

4 **INSERT 5-4:**

5 **SECTION 4.** 342.09 (1) of the statutes is renumbered 342.09 (1) (a) and amended
6 to read:

7 342.09 (1) (a) The department shall maintain a record of each application for
8 certificate of title received by it and, when satisfied as to its genuineness and
9 regularity and that the applicant is entitled to the issuance of a certificate of title,
10 shall issue and, except as provided in par. (b), deliver a certificate to the owner of the
11 vehicle.

12 **History:** 1977 c. 29 s. 1654 (7) (a); 1977 c. 221; 1989 a. 31; 2009 a. 28.

12 **SECTION 5.** 342.09 (1) (b) of the statutes is created to read:

13 342.09 (1) (b) If there is a perfected security interest in a vehicle, the
14 department shall deliver the certificate of title to the secured party having the
15 primary perfected security interest in the vehicle.

16 **SECTION 6.** 342.13 (1) of the statutes is amended to read:

17 342.13 (1) If a certificate of title is lost, stolen, mutilated, or destroyed, or
18 becomes illegible, the owner or ~~legal representative of the owner named in person in~~
19 possession of the certificate, as shown by the records of the department, shall
20 promptly make application for and may obtain a replacement upon furnishing
21 information satisfactory to the department. The replacement certificate of title shall
22 contain a notation, in a form determined by the department, identifying the



1 certificate as a replacement certificate that may be subject to the rights of a person
2 under the original certificate.

History: 1975 c. 297; 1977 c. 29 s. 1654 (7) (a); 1991 a. 239; 1993 ~~a. 475~~; 2003 a. 184; 2009 a. 100.

3 **SECTION 7.** 342.15 (1) (a) of the statutes is amended to read:

4 342.15 (1) (a) If an owner transfers an interest in a vehicle, other than by the
5 creation of a security interest, the owner shall comply with the requirements of s.
6 342.155 and, at the time of the delivery of the vehicle, execute an assignment and
7 warranty of title to the transferee in the space provided therefor on the certificate,
8 and the owner or person in possession of the certificate, [✓] as shown by the records of
9 the department, shall cause the certificate to be mailed or delivered to the transferee,
10 except that if the vehicle being transferred is a junk vehicle or has been junked, the
11 owner shall return the certificate to the department in accordance with s. 342.34.

History: 1971 c. 278; 1975 c. 121, 199; 1977 c. 29 ss. 1453, 1654 (7) (a); 1977 c. 79, 129, 203, 418, 447; 1983 a. 126, 227, 270, 538; 1985 a. 29, 202, 332; 1987 a. 349; 1993 a. 63, 159; 1995 a. 421; 1997 a. 27; 1999 a. 9, 80.

12 **SECTION 8.** 342.15 (1) (c) [✓] of the statutes is amended to read:

13 342.15 (1) (c) If an owner transfers his or her interest in a salvage vehicle, the
14 owner shall at the time of the delivery of the vehicle, execute an assignment and
15 warranty of title to the transferee in the space provided therefor on the certificate,
16 and the owner or person in possession of the certificate, [✓] as shown by the records of
17 the department, shall [✓] cause the certificate to be mailed or delivered to the transferee.

History: 1971 c. 278; 1975 c. 121, 199; 1977 c. 29 ss. 1453, 1654 (7) (a); 1977 c. 79, 129, 203, 418, 447; 1983 a. 126, 227, 270, 538; 1985 a. 29, 202, 332; 1987 a. 349; 1993 a. 63, 159; 1995 a. 421; 1997 a. 27; 1999 a. 9, 80.

18 **SECTION 9.** 342.15 (5) of the statutes is amended to read:

19 342.15 (5) Any owner of a vehicle for which a certificate of title has been issued,
20 who upon transfer of the vehicle fails to execute and ~~deliver~~ [✓] the assignment and
21 warranty of title required by sub. (1), or the owner or person in possession of such
22 certificate of title, as shown by the records of the department, who fails to deliver the



1 assignment and warranty of title required by sub. (1), may be required to forfeit not
2 more than \$500.

History: 1971 c. 278; 1975 c. 121, 199; 1977 c. 29 ss. 1453, 1654 (7) (a); 1977 c. 79, 129, 203, 418, 447; 1983 a. 126, 227, 270, 538; 1985 a. 29, 202, 332; 1987 a. 349; 1993 a. 63, 159; 1995 a. 421; 1997 a. 27; 1999 a. 9, 80.

3 **SECTION 10.** 342.20 (1) of the statutes is amended to read:

4 342.20 (1) The owner shall immediately execute, in the space provided therefor
5 on the certificate of title or on a separate form or in an automated format prescribed
6 by the department, an application to name the secured party on the certificate,
7 showing the name and address of the secured party, and the owner or person in
8 possession of the owner's certificate, as shown by the records of the department, shall
9 cause the certificate, application and the required fee to be delivered to the secured
10 party.

(end ins 5-4)

History: 1975 c. 286; 1977 c. 29 s. 1654 (7) (a); 1981 c. 20; 1985 a. 202 s. 37; 1993 a. 301; 1995 a. 338; 1997 a. 27; 2009 a. 28.

11
12 **INSERT 5-15:**

13 **SECTION 11.** 342.22 (1) of the statutes is amended to read:

14 342.22 (1) (intro.) Within one month or within 10 days following written
15 demand by the debtor after there is no outstanding obligation and no commitment
16 to make advances, incur obligations or otherwise give value, secured by the security
17 interest in a vehicle under any security agreement between the owner and the
18 secured party, the secured party shall mail or deliver the certificate of title for the
19 vehicle to the department if the secured party is in possession of the certificate and
20 shall also do one of the following:

History: 1977 c. 29 s. 1654 (7) (a); 1977 c. 217, 447; 1985 a. 202; 1997 a. 27; 1999 a. 9; 2009 a. 28.

21 **SECTION 12.** 342.22 (2) of the statutes is amended to read:

22 342.22 (2) ~~An~~ If an owner, other than a dealer holding the vehicle for resale,
23 is in possession of the owner's certificate of title, the owner, upon receipt of the release



1 and notice of obligation delivered under sub. (1) (a), shall promptly cause the
2 certificate and release to be mailed or delivered to the department, which shall
3 release the secured party's rights on the certificate and issue a new certificate. Upon
4 receipt of the notice under sub. (1) (b), the owner may, in the form and manner
5 prescribed by the department and without additional fee, deliver an application and
6 the certificate of title to the department and the department shall issue a new
7 certificate of title free of the security interest notation.

History: 1977 c. 29 s. 1654 (7) (a); 1977 c. 217, 447; 1985 a. 202; 1997 a. 47; 1999 a. 9; 2009 a. 28.

8 **SECTION 13.** 342.23 (2) (a) of the statutes is renumbered 342.23 (2) and
9 amended to read:

10 342.23 (2) An owner or person in possession of the owner's certificate of title,
11 as shown by the records of the department, shall promptly deliver the owner's
12 certificate of title to any secured party who is named on it or who has a security
13 interest in the vehicle described in it under any other applicable prior law of this
14 state, upon receipt of a notice from such secured party that the security interest is
15 to be assigned, extended or perfected.

History: 1971 c. 278; 1991 a. 316; 1993 a. 159.

16 **SECTION 14.** 342.23 (2) (b) of the statutes is repealed.

17 **SECTION 15.** 342.23 (4) of the statutes is amended to read:

18 342.23 (4) Any owner or other person in possession of the owner's certificate
19 of title who fails to deliver the certificate of title to a secured party requesting it
20 pursuant to sub. (2) (a) shall be liable to such secured party for any loss caused to the
21 secured party thereby and may be required to forfeit not more than \$200.

History: 1971 c. 278; 1991 a. 316; 1993 a. 159.

22
23 **INSERT 5-23:**

24 **SECTION 9148.** Nonstatutory provisions; Transportation.

↓

(1) CERTIFICATES OF TITLE. Notwithstanding chapter 342 of the statutes, as affected by this act, beginning on the effective date of this subsection, the department of transportation may, for 6 months after the effective date of this subsection, issue and deliver certificates of title under applicable provisions of chapter 342 of the statutes that are in effect on the day before the effective date of this subsection.

SECTION 9348. Initial applicability; Transportation.

(1) CERTIFICATES OF TITLE. The renumbering and amendment of section 342.09 (1) of the statutes and the creation of section 342.09 (1) (b) of the statutes first apply to applications for certificates of title that are submitted on the effective date of this subsection.

SECTION 9448. Effective dates; Transportation.

(1) CERTIFICATES OF TITLE. The treatment of sections 218.0171 (2) (c) and (cm) 2., 218.23 (1), 342.13 (1), 342.15 (1) (a) and (c) and (5), 342.20 (1), 342.22 (1) (intro.) and (2), and 342.23 (2) (a) and (b) and (4) of the statutes, the renumbering and amendment of sections 342.09 (1) and 342.23 (2) (a) of the statutes, the repeal of section 342.23 (2) (b) of the statutes, and the creation of section 342.09 (1) (b) of the statutes and SECTIONS 9148 (1) and 9348 (1) of this act take effect on January 1, 2012.

(end ins)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0056/1dn

ARG:.....

date

jld

ATTN: Tyler Byrnes✓

Please review the vehicle title provisions of the attached draft carefully to ensure that they are consistent with your intent. In particular, I was uncertain how you wanted s. 342.22✓ treated and the approach taken in this draft may not be consistent with your intent. I also note that I did not treat any of the provisions of s. 342.17✓ in this draft. I also did not make any changes from the "/P1" version in the treatment of s. 342.20 (3).✓

The "notwithstanding" language in created s. 85.14 (3)✓ of the "/P1" version was too broad. I have eliminated this language and added another sentence to the provision. I am not aware of any other provision that would conflict with this language.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0056/1
ARG:jld:jf

DOA:.....Byrnes, BB0068 - Online business transactions

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, DOT issues and delivers a certificate of title to the owner of a vehicle upon receipt of a proper application to title the vehicle. If there is a security interest in the vehicle, the security interest is noted on the certificate of title and the vehicle owner, not the secured party, holds the certificate of title.

Under this bill, if there is a security interest in a vehicle, DOT issues the certificate of title in the name of the vehicle owner but delivers the certificate of title to the secured party having the primary perfected security interest in the vehicle. Therefore, the secured party, not the vehicle owner, holds the certificate of title. This certificate of title may be in an automated format, including an electronic or digital form.

Under current law, a dealer, distributor, manufacturer, or transporter of vehicles may register with DOT and obtain issuance of vehicle registration plates. A finance company or financial institution may also register with DOT and obtain issuance of vehicle registration plates. Under certain circumstances, the dealer, distributor, manufacturer, transporter, finance company, or financial institution may display these plates on an unregistered vehicle and legally operate the vehicle on the highway. These plates are valid for a calendar year and, upon renewal of the plates, DOT may issue a registration tag or decal instead of issuing new plates.

This bill allows DOT to renew these registration plates without issuing new plates, tags, or decals.

Under current law, if a vehicle owner creates a security interest in a vehicle, the owner and the secured party are usually required to follow certain procedures to have the secured party identified on the vehicle's certificate of title. When certain requirements are met, DOT issues to the vehicle owner a new certificate of title containing the name and address of the new secured party. DOT must also deliver to the new secured party and to the register of deeds of the county of the owner's residence memoranda evidencing the notation of the security interest on the certificate.

Under this bill, DOT must deliver to the new secured party memoranda evidencing the notation of the security interest on the certificate of title only if the secured party is exempt from electronic filing of security interests.

OTHER TRANSPORTATION

Under current law, DOT may accept payment by credit card, debit card, or any other electronic payment mechanism of certain fees, which generally derive from transactions related to motor vehicles or motor vehicle operators. DOT may charge a convenience fee for each transaction in which payment by credit card, debit card, or other electronic payment mechanism is made. The amount of the convenience fee is established by DOT by rule, but must approximate the cost to DOT of providing the payment service. Until a rule is promulgated, the convenience fee is set by statute at \$2.50 for each transaction.

This bill allows DOT to accept payment by credit card, debit card, or any other electronic payment mechanism of any fee, not limited to fees in connection with transactions related to motor vehicles or motor vehicle operators. The bill also allows DOT to charge a convenience fee whenever payment by credit card, debit card, or other electronic payment mechanism is made.

This bill also allows DOT to establish procedures for conducting any transaction in an electronic format or using an electronic process. DOT may promulgate rules requiring a person to pay an additional fee for conducting an in-person, telephone, or paper transaction in lieu of using an electronic filing or submission option when DOT has made an electronic filing or submission option available.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 85.14 (title) of the statutes is amended to read:

1 **85.14 (title) ~~Payments of fees and deposits by credit card, debit card,~~**
2 **~~or other electronic payment mechanism; electronic transactions.~~**

3 **SECTION 2.** 85.14 (1) (a) of the statutes is amended to read:

4 85.14 (1) (a) The department may accept payment by credit card, debit card,
5 or any other electronic payment mechanism of ~~a~~ any fee that is required to be paid
6 to the department ~~under ch. 194, 218, 341, 342, 343 or 348~~. The department shall
7 determine which fees may be paid by credit card, debit card, or any other electronic
8 payment mechanism and the manner in which the payments may be made. If the
9 department permits the payment of a fee by credit card, debit card, or any other
10 electronic payment mechanism, the department may charge a convenience fee for
11 each transaction in an amount to be established by rule. The convenience fee shall
12 approximate the cost to the department for providing this service to persons who
13 request it. If the department permits the payment of a fee by credit card, debit card,
14 or any other electronic payment mechanism, the department may charge a service
15 fee of \$2.50 for each transaction until a rule is promulgated under this paragraph.

16 **SECTION 3.** 85.14 (3) of the statutes is created to read:

17 85.14 (3) The department may establish procedures for conducting any
18 transaction in an electronic format or using an electronic process. Any form
19 prescribed by the department may be prescribed in an automated format to facilitate
20 the department's authority under this subsection.

21 **SECTION 4.** 85.14 (4) of the statutes is created to read:

22 85.14 (4) The department may promulgate rules requiring a person to pay an
23 additional fee for conducting an in-person, telephone, or paper transaction in lieu
24 of using an electronic filing or submission option when the department has made an
25 electronic filing or submission option available. These rules may provide for

1 exemptions from the additional fee for designated categories of persons or
2 transactions. The fee authorized under this subsection is in addition to any other fee
3 that may be imposed by the department.

4 **SECTION 5.** 218.0171 (2) (c) of the statutes is amended to read:

5 218.0171 (2) (c) To receive a comparable new motor vehicle or a refund due
6 under par. (b) 1. or 2., a consumer described under sub. (1) (b) 1., 2. or 3. shall offer
7 to the manufacturer of the motor vehicle having the nonconformity to transfer title
8 of that motor vehicle to that manufacturer. No later than 30 days after that offer, the
9 manufacturer shall provide the consumer with the comparable new motor vehicle or
10 refund. When the manufacturer provides the new motor vehicle or refund, the
11 consumer shall return the motor vehicle having the nonconformity to the
12 manufacturer and provide the manufacturer with the certificate of title and all
13 endorsements necessary to transfer title to the manufacturer. If another person is
14 in possession of the certificate of title, as shown by the records of the department of
15 transportation, that person shall, upon request of the consumer, provide the
16 certificate to the manufacturer or to the consumer.

17 **SECTION 6.** 218.0171 (2) (cm) 2. of the statutes is amended to read:

18 218.0171 (2) (cm) 2. To receive a refund due under par. (b) 3., a motor vehicle
19 lessor shall offer to the manufacturer of the motor vehicle having the nonconformity
20 to transfer title of that motor vehicle to that manufacturer. No later than 30 days
21 after that offer, the manufacturer shall provide the refund to the motor vehicle lessor.
22 When the manufacturer provides the refund, the motor vehicle lessor shall provide
23 to the manufacturer the certificate of title and all endorsements necessary to
24 transfer title to the manufacturer. If another person is in possession of the certificate
25 of title, as shown by the records of the department of transportation, that person

1 shall, upon request of the motor vehicle lessor, provide the certificate to the
2 manufacturer or to the motor vehicle lessor.

3 **SECTION 7.** 218.23 (1) of the statutes is amended to read:

4 218.23 (1) Whenever a licensed motor vehicle salvage dealer acquires a motor
5 vehicle for the purpose of wrecking it, the dealer shall mail or deliver the certificate
6 of title or if the transfer to the salvage dealer was by a bill of sale, the bill of sale, for
7 such vehicle to the department within 30 days after the vehicle is delivered to the
8 salvage yard unless the previous owner already has done so or, if another person is
9 in possession of the certificate of title, as shown by the records of the department of
10 transportation, that person already has done so. If he or she the dealer subsequently
11 wishes to transfer such vehicle to another person, ~~he or she~~ the dealer shall make
12 such transfer only by bill of sale. In such bill of sale, ~~he or she~~ the dealer shall
13 describe the vehicle and shall state that the certificate of title for the vehicle has been
14 mailed or delivered to the department because the vehicle was to have been junked.

15 **SECTION 8.** 341.13 (3m) of the statutes is repealed.

16 **SECTION 9.** 341.52 of the statutes is amended to read:

17 **341.52 Design of registration plates.** Registration plates for dealers,
18 distributors, manufacturers, and transporters are subject to the provisions of s.
19 341.12 (2) and (3) except s. 341.12 (3) (c). In addition, each plate shall have displayed
20 upon it a symbol capable of distinguishing it from any other plate which may be
21 issued to the same dealer, distributor, manufacturer, or transporter.

22 **SECTION 10.** 341.53 of the statutes is amended to read:

23 **341.53 Expiration of registration; transferability of plates.** Certificates
24 of registration and registration plates issued to dealers, distributors, manufacturers,
25 or transporters shall be issued for the calendar year and are valid only during the

1 calendar year for which issued. Notwithstanding s. 341.13 (3), the department may
2 renew registration plates issued to dealers, distributors, manufacturers, or
3 transporters without issuing new plates or insert tags, decals, or other evidence of
4 registration. Registration plates are transferable from one motor vehicle, trailer or
5 semitrailer to another motor vehicle, trailer or semitrailer and from one recreational
6 vehicle to another.

7 **SECTION 11.** 341.57 (2) of the statutes is amended to read:

8 341.57 (2) A finance company licensed under ss. 138.09 or 218.0101 to
9 218.0163, a credit union licensed under ch. 186, a savings bank organized under ch.
10 214, a savings and loan association organized under ch. 215 or a state bank or a
11 national bank with offices in this state may apply to the department for registration
12 on such form as the department provides. Upon receipt of the application together
13 with a registration fee of \$75, the department shall register the applicant and shall
14 issue one registration plate containing the registration number assigned to the
15 applicant. The department, upon receiving a fee of \$5 for each additional plate
16 desired by the applicant, shall issue additional plates as the applicant orders.
17 Section 341.52 applies to the design of the plates. The registration and plates are
18 valid only during the calendar year for which issued. Notwithstanding s. 341.13 (3),
19 the department may renew registration plates issued under this subsection without
20 issuing new plates or insert tags, decals, or other evidence of registration. A plate
21 is transferable from one motor vehicle to another. The department may charge a fee
22 of \$2 per plate for replacing lost, damaged or illegible plates issued under this
23 subsection.

24 **SECTION 12.** 342.09 (1) of the statutes is renumbered 342.09 (1) (a) and
25 amended to read:

1 342.09 (1) (a) The department shall maintain a record of each application for
2 certificate of title received by it and, when satisfied as to its genuineness and
3 regularity and that the applicant is entitled to the issuance of a certificate of title,
4 shall issue and, except as provided in par. (b), deliver a certificate to the owner of the
5 vehicle.

6 **SECTION 13.** 342.09 (1) (b) of the statutes is created to read:

7 342.09 (1) (b) If there is a perfected security interest in a vehicle, the
8 department shall deliver the certificate of title to the secured party having the
9 primary perfected security interest in the vehicle.

10 **SECTION 14.** 342.13 (1) of the statutes is amended to read:

11 342.13 (1) If a certificate of title is lost, stolen, mutilated, or destroyed, or
12 becomes illegible, the owner or ~~legal representative of the owner named in person in~~
13 possession of the certificate, as shown by the records of the department, shall
14 promptly make application for and may obtain a replacement upon furnishing
15 information satisfactory to the department. The replacement certificate of title shall
16 contain a notation, in a form determined by the department, identifying the
17 certificate as a replacement certificate that may be subject to the rights of a person
18 under the original certificate.

19 **SECTION 15.** 342.15 (1) (a) of the statutes is amended to read:

20 342.15 (1) (a) If an owner transfers an interest in a vehicle, other than by the
21 creation of a security interest, the owner shall comply with the requirements of s.
22 342.155 and, at the time of the delivery of the vehicle, execute an assignment and
23 warranty of title to the transferee in the space provided therefor on the certificate,
24 and the owner or person in possession of the certificate, as shown by the records of
25 the department, shall cause the certificate to be mailed or delivered to the transferee,

1 except that if the vehicle being transferred is a junk vehicle or has been junked, the
2 owner shall return the certificate to the department in accordance with s. 342.34.

3 **SECTION 16.** 342.15 (1) (c) of the statutes is amended to read:

4 342.15 (1) (c) If an owner transfers his or her interest in a salvage vehicle, the
5 owner shall at the time of the delivery of the vehicle, execute an assignment and
6 warranty of title to the transferee in the space provided therefor on the certificate,
7 and the owner or person in possession of the certificate, as shown by the records of
8 the department, shall cause the certificate to be mailed or delivered to the transferee.

9 **SECTION 17.** 342.15 (5) of the statutes is amended to read:

10 342.15 (5) Any owner of a vehicle for which a certificate of title has been issued,
11 who upon transfer of the vehicle fails to execute ~~and deliver~~ the assignment and
12 warranty of title required by sub. (1), or the owner or person in possession of such
13 certificate of title, as shown by the records of the department, who fails to deliver the
14 assignment and warranty of title required by sub. (1), may be required to forfeit not
15 more than \$500.

16 **SECTION 18.** 342.20 (1) of the statutes is amended to read:

17 342.20 (1) The owner shall immediately execute, in the space provided therefor
18 on the certificate of title or on a separate form or in an automated format prescribed
19 by the department, an application to name the secured party on the certificate,
20 showing the name and address of the secured party, and the owner or person in
21 possession of the owner's certificate, as shown by the records of the department, shall
22 cause the certificate, application and the required fee to be delivered to the secured
23 party.

24 **SECTION 19.** 342.20 (3) of the statutes is amended to read:

1 342.20 (3) Upon receipt of the certificate of title, application, and the required
2 fee, or upon receipt of the security interest statement and required fee if the secured
3 party has utilized the process specified in s. 342.245 (1), the department shall issue
4 to the owner a new certificate containing the name and address of the new secured
5 party. The department shall deliver to such new secured party, unless the secured
6 party utilized the process specified in s. 342.245 (1), and to the register of deeds of
7 the county of the owner's residence, memoranda, in such form as the department
8 prescribes, evidencing the notation of the security interest upon the certificate; and
9 thereafter, upon any assignment, termination or release of the security interest,
10 additional memoranda evidencing such action.

11 **SECTION 20.** 342.22 (1) (intro.) of the statutes is amended to read:

12 342.22 (1) (intro.) Within one month or within 10 days following written
13 demand by the debtor after there is no outstanding obligation and no commitment
14 to make advances, incur obligations or otherwise give value, secured by the security
15 interest in a vehicle under any security agreement between the owner and the
16 secured party, the secured party shall mail or deliver the certificate of title for the
17 vehicle to the department if the secured party is in possession of the certificate and
18 shall also do one of the following:

19 **SECTION 21.** 342.22 (2) of the statutes is amended to read:

20 342.22 (2) ~~An~~ If an owner, other than a dealer holding the vehicle for resale,
21 is in possession of the owner's certificate of title, the owner, upon receipt of the release
22 and notice of obligation delivered under sub. (1) (a), shall promptly cause the
23 certificate and release to be mailed or delivered to the department, which shall
24 release the secured party's rights on the certificate and issue a new certificate. Upon
25 receipt of the notice under sub. (1) (b), the owner may, in the form and manner

1 prescribed by the department and without additional fee, deliver an application and
2 the certificate of title to the department and the department shall issue a new
3 certificate of title free of the security interest notation.

4 **SECTION 22.** 342.23 (2) (a) of the statutes is renumbered 342.23 (2) and
5 amended to read:

6 342.23 (2) An owner or person in possession of the owner's certificate of title,
7 as shown by the records of the department, shall promptly deliver the owner's
8 certificate of title to any secured party who is named on it or who has a security
9 interest in the vehicle described in it under any other applicable prior law of this
10 state, upon receipt of a notice from such secured party that the security interest is
11 to be assigned, extended or perfected.

12 **SECTION 23.** 342.23 (2) (b) of the statutes is repealed.

13 **SECTION 24.** 342.23 (4) of the statutes is amended to read:

14 342.23 (4) Any owner or other person in possession of the owner's certificate
15 of title who fails to deliver the certificate of title to a secured party requesting it
16 pursuant to sub. (2) ~~(a)~~ shall be liable to such secured party for any loss caused to the
17 secured party thereby and may be required to forfeit not more than \$200.

18 **SECTION 25.** 348.27 (11m) (d) of the statutes is amended to read:

19 348.27 (11m) (d) The secretary of transportation may limit the application of
20 permits issued under this subsection to specific areas of the state or to specific
21 highways. A permit authorized under this subsection takes effect upon the mailing
22 or delivery of a complete application and the required fee to the department. A
23 permit authorized under this subsection is valid for up to 90 days, as determined by
24 the secretary of transportation.

25 **SECTION 9148. Nonstatutory provisions; Transportation.**

(1) CERTIFICATES OF TITLE. Notwithstanding chapter 342 of the statutes, as affected by this act, beginning on the effective date of this subsection, the department of transportation may, for 6 months after the effective date of this subsection, issue and deliver certificates of title under applicable provisions of chapter 342 of the statutes that are in effect on the day before the effective date of this subsection.

SECTION 9348. Initial applicability; Transportation.

(1) CERTIFICATES OF TITLE. The renumbering and amendment of section 342.09 (1) of the statutes and the creation of section 342.09 (1) (b) of the statutes first apply to applications for certificates of title that are submitted on the effective date of this subsection.

SECTION 9448. Effective dates; Transportation.

(1) CERTIFICATES OF TITLE. The treatment of sections 218.0171 (2) (c) and (cm) 2., 218.23 (1), 342.13 (1), 342.15 (1) (a) and (c) and (5), 342.20 (1), 342.22 (1) (intro.) and (2), and 342.23 (2) (a) and (b) and (4) of the statutes, the renumbering and amendment of sections 342.09 (1) of the statutes, and the creation of section 342.09 (1) (b) of the statutes and SECTIONS 9148 (1) and 9348 (1) of this act take effect on January 1, 2012.

(END)